

# Stormwater Quality In-lieu Contributions Policy



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<b>APPROVAL</b>	Council <i>Signature:</i> <i>Date:</i>
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<b>POLICY TYPE</b>	Council
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June 2016	1	Created
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## 1. Purpose

This Stormwater Quality In-lieu Contributions Policy (**Policy**) provides the framework to administer a contribution scheme that provides developers with the flexible option to meet their stormwater quality obligations under their planning permit by either:

- Treating polluted stormwater runoff on-site (e.g construct rain gardens) or;
- Making an in-lieu voluntary stormwater quality in-lieu contribution whereby Council will use the accumulated funds to construct suitable stormwater treatment and reuse projects at locations decided by Council.

The Policy formalises Kingston City Council's principles and procedures. It provides guidance for Council on the expenditure of stormwater quality in-lieu contributions, such that it conforms to legislative requirements and ensures waterway health objectives are achieved in an efficient, consistent, and transparent manner.

## 2. Scope

The Policy applies throughout the City of Kingston to residential and non-residential developments that have an obligation to deliver best practice *stormwater* quality works on-site in accordance with a planning permit requirement or any relevant policy forming part of the Kingston Planning Scheme.

The Policy recognises that the following types of development may not be subject to the requirement to deliver *stormwater* quality works on-site:

- Developments where the developer complies with their *stormwater* discharge requirements in Kingston with on-site works.
- Small alterations and additions to existing dwellings.
- An application for a subdivision of an existing building.

- Areas where *stormwater* quality offsets have previously been paid to Melbourne Water Corporation.
- Areas where it can be demonstrated that previous arrangements or *stormwater* quality in-lieu contribution payments have been made to Council.

Further exceptions and additional criteria are documented in Clauses 4.3 to 4.7.

Where Council documents are referenced throughout this Policy, the requirements within the most current version apply, together with all other relevant conditions as required by planning permit and Council's development engineer.

Further information and can be found in the Stormwater Quality In-lieu Contributions Guidelines

### 3. Governance principles and Council Plan alignment

#### 3.1 Governance principles

This Policy aligns with Council's following overarching governance and supporting principles:

- Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- Principle (c) - the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
- Principle (i) - the transparency of Council decisions, actions and information is to be ensured.

#### 3.2 Council Plan alignment

This Policy aligns with the Strategic Direction: *Sustainable - We prioritise our environment and reduce our impact on the earth.*

It also aligns with the Strategy to: *Consider environmental sustainability in all Council decisions*, with this being reflected in Kingston's Integrated Water Strategy (2022) that includes an objective to protect our waterways and Port Phillip Bay by reducing litter and all forms of pollution.

Council recognises that the treatment of *stormwater* discharge needs to be effective, and this Policy provides an alternative mechanism for achieving that goal.

### 4. Policy details

Kingston's evaluations have shown that the municipality cannot meet the *stormwater* quality targets in Kingston's Integrated Water Strategy (IWS 2022) within a reasonable timeframe by relying on privately built stormwater assets and smaller streetscape treatments alone.

Further, Council acknowledges that the implementation of small-scale on-site *stormwater* treatment assets is not always the most practical, cost effective and environmentally effective means of achieving water quality.

Detailed modelling work has confirmed that Council's *medium-scale stormwater* treatment projects located within public open space is more cost effective in achieving water quality outcomes, is affordable, and has a broad range of community benefits.

The IWS 2022 has a target to gradually install 7 stormwater treatment and reuse projects within Council reserves between 2025 and 2050 at an estimated cost of around \$20 million.

Concept plans for these projects have been prepared, and they are considered suitable to construct using the developer funding.

The voluntary *Stormwater* Quality In-lieu Contributions Scheme would help to achieve Kingston's *stormwater* quality targets in an affordable, efficient, and sustainable manner.

#### 4.1 Policy Objectives

The objectives of this Policy are:

- i. To provide flexibility for new developments in Kingston to meet Best Practice stormwater management;
- ii. To provide Council the opportunity to raise revenue from one or more sources to put towards the cost of providing *medium-scale stormwater treatment projects*, in a manner that does not put upwards pressure on rates;
- iii. To provide an alternative pathway to achieve best practice stormwater management for the whole of the municipality; and
- iv. To provide a mechanism for Council that is easy to calculate, simple to implement and that streamlines the planning permit application and engineering assessment process.

#### 4.2 Stormwater Quality In-lieu Contributions Principles

The Stormwater Quality In-lieu Contributions are to be based on the following principles:

- i. **Voluntary** – Developers can opt to pay a stormwater quality in-lieu contribution if Council agrees that this would provide a superior outcome compared to addressing *stormwater* quality obligations on-site.
- ii. **Transparency** - Both the method for calculating the contributions and the manner in which it is applied should be clear, transparent and simple to understand and administer.
- iii. **Certainty** - All contributions should be clearly identified, and methods of calculation agreed upon prior to the *stormwater* drawings being approved by Council.
- iv. **Efficiency** - Contributions should be determined on a whole of life capital cost basis consistent with maintaining Council's financial discipline.
- v. **Consistency** - The methodology for applying contributions should be consistent throughout the municipality.
- vi. **Accountable** - There must be accountability in the manner in which contributions are collected and expended.

#### 4.3 Stormwater Quality obligations and alternative pathways

The development must satisfy its *stormwater* quality obligations by constructing works on-site in accordance with the planning permit and the approved Stormwater Management Plan (**Drainage**) to meet the Victorian Best Practice stormwater management requirements, as specified in the Kingston *Civil Design Requirements for Developers – Part A – Integrated Stormwater Management* to the satisfaction of the Council.

As an alternative to undertaking *stormwater* quality works on-site, the applicant may choose to pay a Stormwater Quality In-Lieu Contribution fee to Council in accordance with this Policy. Refer to Clauses 4.4 to 4.7 for further requirements.

All other *stormwater* related conditions outlined in the following documents remain unchanged:

- Flood management and pipe capacity and storage requirements outlined in the *Civil Design Requirements for Developers - Part A: Integrated Stormwater Management*.

- *Building Site Stormwater Code of Practice* requirements incorporated in Kingston Local Law.
- *Element Six: Stormwater and Sediment Control* in the Kingston Construction Management Guidelines.
- *Basements and Deep Building Construction Guidelines*.

Further detail about the *stormwater* quality obligations and alternative pathways can be found in the *Stormwater Quality In-lieu Contributions Guidelines*.

#### **4.4 Applicable development types for Stormwater Quality In-lieu Contributions**

Council will specify contributions charges for different types of developments based on the extent of imperviousness charges for the development and having regard to market considerations.

Some non-standard developments may need a case-by-case assessment in accordance with the responsibilities documented in Clause 7.

#### **4.5 Charging basis for Stormwater Quality In-lieu Contribution**

The Stormwater Quality In-lieu Contribution rate is a per square meter impervious area-based charge. For developments with impervious areas of 300 square meters or less, a flat rate per development is applicable.

For partial contribution, in lieu of partially meeting *stormwater* quality obligations on-site, Council at its discretion will calculate the credit to be assigned to each on-site treatment asset.

Information about the applicable contribution rates, and how the full or partial stormwater quality in lieu contribution is calculated can be discussed with the applicant during the planning permit application process. Further information can be found in the Stormwater Quality In-lieu Contributions Guidelines with the rates specified in Council's annual budget under 'Fees & Charges' shown on Council's website.

#### **4.6 Method and conditions of payment**

Payment for in-lieu contributions will be made by a method of payment acceptable to Council.

Unless otherwise agreed by the Council, payment of the in-lieu contribution will be made before the commencement of building and works on-site, unless the timing is otherwise approved by Council.

For subdivisions, funds will be collected prior to a Statement of Compliance being issued where contributions were required by a voluntary agreement or by a planning permit condition.

#### **4.7 Additional criteria**

In administering the Policy, the following additional criteria apply:

- 4.7.1 Council reserves the right to require developers to meet their stormwater quality obligations on-site at the developer's cost, unless otherwise approved by Council.
- 4.7.2 In lieu of item 1, Council may at its sole discretion decide to:

- i. Offer or not offer the option to accept a Stormwater Quality In-Lieu Contribution fee;
  - ii. Offer a combination of accepting a partial contribution in combination with the developer partially meeting their stormwater quality obligations on-site; or
  - iii. Accept an alternative arrangement.
- 4.7.3 Where Council chooses to offer the contribution scheme, the developer has the option to participate in the Scheme or comply with item 4.7.1.
- 4.7.4 Council reserves the right to review the contribution calculation rates on an annual basis.
- 4.7.5 Where the developer chooses to participate in the contribution Scheme, the developer must:
- i. Submit an application signed by an authorised representative;
  - ii. Pay the applicable contribution in accordance with Clause 4.6; and
  - iii. Comply with all other *stormwater* conditions set by the responsible drainage authority.

Applicants are taken to have agreed to these conditions when making contributions. Participants will be required to sign a document agreeing to the applicable conditions.

#### **4.8 Funds administration**

Contributions will be accounted for in a specific Council reserve fund, known as the Stormwater Quality Reserve Fund.

This fund represents future obligations and is therefore separately accounted for to ensure sound financial management of Council's operations.

#### **4.9 Expenditure of funds**

Funds accumulating in the Stormwater Quality Reserve Fund are to be used to deliver projects identified in Kingston's Integrated Water Strategy on a priority basis.

Funds will be expended through the Capital Works Program portion of the annual budget process on a priority basis. Funds may be accumulated across financial years to enable the delivery of priority projects.

The responsible Council officer will recommend planned expenditure from the Stormwater Quality Reserve Fund to implement projects, with the approval process to be in accordance with Kingston's Procurement Policy.

Contributions collected will be used to fund the full range of costs incurred by Council to implement and manage the priority *WSUD* projects, including costs associated with planning, project managing, design, construction, and maintenance as well as the cost of administering the Policy.

The adoption of this Policy should be demonstrated not to cause a diminution of the existing maintenance budget for *stormwater* and drainage assets but having regard to other changing pressures on the Council revenue.

The list of priority *WSUD* projects will be updated as part of the regular review cycle of Kingston's Integrated Water Strategy. Council may alter, vary, delete or substitute new projects from time to time.

Details about the priority *WSUD* projects and the selection criteria can be found in the Stormwater Quality In-lieu Contributions Guidelines.

#### **4.10 Financial reporting**

Council will monitor, report and review the monies received and expended in the Stormwater Quality Reserve Fund through the annual financial statements in line with the principles of sound financial management as contained in the Local Government Act 2020 (Vic).

These Financial Statements are subjected to an external Audit process and may also be included in Kingston's internal audit schedule.

#### **4.11 Monitoring and evaluation**

Council will monitor the effectiveness of this Policy. Refer to the Kingston Stormwater Quality In-Lieu Contributions Guidelines for further details.

### **5. Key Stakeholders (if applicable)**

Key Council department stakeholders in the development and implementation of this Policy are:

- City Strategy (including Principal Environment Officer)
- City Development (including Team Leader of Statutory Planning)
- Infrastructure (including Team Leader of Roads & Drains, and Senior Development Engineer)
- Finance (including Manager Finance)
- Open Spaces (including Team Leaders of Reserves & Sportsgrounds, Public Space, and Horticulture)

### **6. Internal and external assessments**

Key internal stakeholders have been invited to review this Policy, resulting in the following assessment outcomes:

#### **6.1 Risk Assessment**

This Policy has been assessed by the relevant department as not needing a risk assessment.

#### **6.2 Delegation and Authorisation (Compliance Framework)**

Refer to Council's Instruments of Delegations.

#### **6.3 Gender Impact Assessment**

A Gender Impact Assessment is not required for this Policy.

#### **6.4 Privacy Impact Assessment**

A Privacy Impact Assessment is not required for this Policy.

#### **6.5 Human Rights Charter**

This Policy is considered to comply with the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

## 7. Roles and Responsibilities

The key roles and accountabilities that are associated with implementing this Policy as listed below.

<b>Role</b>	<b>Responsibility</b>
<i>Approving Developer Conditions</i>	Council's <b>Manager City Development</b> and <b>Manager Infrastructure</b> will be responsible for any future reviews of permit conditions related to this Policy and updates to the Civil Design Requirements for Developers - Part A: Integrated Stormwater Management.
<i>Assessing Individual Developer Projects</i>	Council's <b>Manager City Development</b> will be responsible for overseeing the application of this Policy and the supporting Stormwater Quality In-lieu Contributions Guidelines, including decision making on any non-standard development projects.
<i>Expenditure of contributions</i>	<p>Council's <b>Manager Infrastructure</b> will be responsible for recommending and identifying planned expenditure of the developer contributions that accumulate within Council's Stormwater Quality Reserve Fund.</p> <p>Council's <b>Manager Infrastructure</b> will be responsible for reporting on the funds expenditure against allocated design and/or construction projects.</p>
<i>Financial Management</i>	Council's <b>Manager Finance</b> will be responsible for reporting on the Stormwater Quality Reserve Fund and to ensure that it is managed in accordance with the principles contained in the <i>Local Government Act 2020</i> .
<i>Policy Owner</i>	Council's <b>Manager City Strategy</b> will be responsible for keeping up to date with any legislative or operational changes, including reviewing the applicable pricing rates specified in the Stormwater Quality In-lieu Contributions Guidelines. Plus, providing guidance on applying this Policy and monitoring monies received under the Scheme.
<i>Responsible Executive</i>	The responsibility for this Policy will be shared jointly between the <b>General Manager Planning and Place</b> , the <b>General Manager Open Spaces and Environment</b> and the <b>Chief Finance Officer</b> .

## 8. Related documents

### 8.1 Legislation

- *Environment Protection Act 2017* (Vic)
- *Local Government Act 2020* (Vic)
- *Kingston Community Local Law*.
- *Planning and Environment Act, 1987*.
- *Water Act 1989* (Vic).

### 8.2 Documents and resources

- Kingston Civil Design Standards for Developers - Part A: Integrated Stormwater Management.
- Kingston Instrument of Sub-Delegation by CEO to Staff.
- Kingston's Integrated Water Strategy, 2022.

## 9. Definitions

<b>Term</b>	<b>Definition</b>
<i>Best Practice Stormwater Management</i>	Victorian Best Practice stormwater quality requirements as outlined in the Urban stormwater best practice environmental management guidelines (BPEMG) as amended and Council's standards outlined in the Civil Design Requirements for Developers - Part A: Integrated Stormwater Management.
<i>impervious area</i>	This is a surface that water cannot penetrate. An impervious surface includes a dwelling, a garage or carport, a verandah, a garden shed, a footpath, a swimming pool, outdoor paved areas, a driveway or any other sealed surface.
<i>medium-scale stormwater treatment project</i>	<p>This describes the size of a WSUD project that sits somewhere between a regional Melbourne Water asset (like a large wetland) and small distributed assets (like a rainwater tank or a swale within a road reserve).</p> <p>An example of a medium-scale stormwater treatment asset would be a bio-retention system that is implemented and maintained by Council and is typically located within a Council reserve. An example is the 800sqm filtration area installed in Edithvale Recreation Reserve to treat a 60 hectare catchment.</p>
<i>stormwater</i>	<p>Water that runs off all surfaces such as roofs, footpaths, car parks, roads, gardens, ovals and vegetated open spaces and is captured in constructed storages and/or drainage systems.</p> <p>This excludes roof water captured directly by rainwater tanks, water captured in natural rivers, creeks, streams and lakes, and water sourced from private dams for primary production purposes.</p>
<i>Urban stormwater best practice environmental management guidelines (BPEMG) (as amended)</i>	<p>The Urban stormwater best practice environmental management guidelines (BPEMG) provide a toolbox to meet the needs of those planning, designing and/or managing urban land uses or stormwater systems.</p> <p>The BPEMG establishes stormwater quality objectives to help determine the level of stormwater management necessary to meet the State Environment Protection Policy (Waters of Victoria) objectives.</p>
<i>WSUD - Water Sensitive Urban Design</i>	A holistic approach to water management that integrates urban design and planning with social and physical sciences to deliver water services and protect aquatic environments in an urban setting.